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DD/S REGISTRY
FILE *Meetings*

DD/S 70-1496

10 April 1970

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with DD/R&E Representatives

1. At the request of [] DD/S&T/ORD, I met with Mr. Richard U. Scott and Mr. Leonard Sullivan of the Department of Defense, DRE, at the Pentagon today. These gentlemen are concerned with Southeast Asia matters. It is not clear why DD/R&E is involved in the Vietnamization program, but they apparently have a charter to look at any aspects of the Department of Defense policy in Vietnam that they choose to.

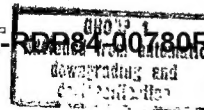
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2. Mr. Sullivan explained that it was certain that the U.S. will be subsidizing Vietnam for many years to come and that to the extent that the subsidy could be used to develop meaningful industry, the length and the amount of the subsidy will be shorter. He believes that there is a transition period from the military doing everything and taking the position that only they can do it to a period when commercial enterprise will be predominant.

3. He asked if it were not true that Air America's presence in Vietnam, while essential to the U.S. Government customers, is a deterrent to Vietnamization. He felt that efforts should be made now to put the Vietnamese in a position some time in the future to take over all of the necessary airlift, both contract and charter. He did not have any ideas on how this might be done, but he did feel that the Vietnamese would have to be trained. He quarreled with the military way of doing this which is to take a Vietnamese boy, teach him English, and then teach him to be a mechanic. He felt that this was too expensive and too slow. He asked about Air America's training policy for indigenous personnel.

4. It seemed from the discussion that Mr. Sullivan and Mr. Scott were thinking of developing an aid program outside of USAID. It was not clear why this was considered desirable by them. At one point, Mr. Sullivan did say that AID would do it the "cheap" way. They believed the military way was too elaborate to be practical. I gathered that they would like to see Air America or some similar company enter into a relationship with a Vietnamese company, not Air Vietnam, to establish a domestic contract and charter flying service and a

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- 2 -

maintenance operation capable of doing company maintenance and also contract maintenance for the Air Force and any other customers .

5. I expect that nothing will come of this conversation since DD/R&E is having difficulty in justifying its interest in the subject . On the other hand, it is possible that the Agency might be asked by Defense if Air America could undertake a technical assistance program in Vietnam . I attempted to forestall this by giving the Ambassador's thinking that Air America would be unacceptable in Vietnam as anything other than a contractor to the U.S . Government .



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Special Assistant to the
Deputy Director for Support

cc: DD/S-HB

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